

CITY OF TIGARD, OREGON

RESOLUTION NO. 04-01

A RESOLUTION FINALIZING SANITARY SEWER REIMBURSEMENT DISTRICT NO. 24
(GAARDE STREET)

WHEREAS, on June 25, 2002, the City Council approved Resolution No. 02-42 to form Sanitary Sewer Reimbursement District No. 24 to construct sewers in SW Gaarde Street in accordance with TMC Chapter 13.09; and

WHEREAS, Resolution No. 02-42 included the City Engineer's Report, which contained an estimated construction cost and total project cost; and

WHEREAS, construction of the sewer improvements have been completed, final costs have been determined, and the City Engineer's Report has been revised to include the final costs as required by TMC 13.09.105(1); and

WHEREAS, these property owners have been notified of an informational hearing in accordance with TMC 13.09.060 and an informational hearing was conducted in accordance with TMC 13.09.105; and

WHEREAS, the City Council has determined that the proposed revisions to the City Engineer's Report are appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

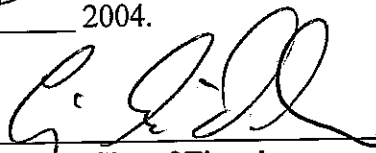
SECTION 1 The revised City Engineer's report titled "Sanitary Sewer Reimbursement District No. 24", attached hereto as Exhibit A, is hereby approved.

SECTION 2 Resolution No. 02-42 is hereby amended to add the revised City Engineer's Report.

SECTION 3 The City Recorder shall cause a copy of this resolution to be filed in the office of the County Recorder and shall mail a copy of this resolution to all affected property owners at their last known address.

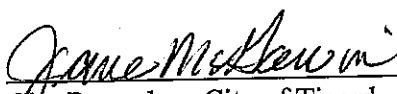
SECTION 4 This resolution is effective upon passage.

PASSED: This 10th day of August 2004.



Mayor - City of Tigard

ATTEST:



City Recorder - City of Tigard
Deputy City Recorder

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Exhibit A

Final City Engineer's Report

Sanitary Sewer Reimbursement District No. 24 **(SW Gaarde St. at 118th Av.)**

Background

This project was constructed and funded under the City of Tigard Neighborhood Sewer Extension Program (NSEP). Under this program, the City of Tigard would install public sewers to each lot within a project area. At the time the property owner connects to the sewer, the owner would pay a connection fee of \$2,535.00 and reimburse the City for a fair share of the cost of the public sewer. There is no requirement to connect to the sewer or pay any fee until connection is made. In addition, property owners are responsible for disconnecting their existing septic system according to Washington County rules and for any other modifications necessary to connect to the public sewer.

Project Area - Zone of Benefit

An existing sanitary sewer line in SW Gaarde Street was extended east from SW 118th Avenue to serve three lots as shown on Exhibit Map B. A fourth lot at 11765 SW Gaarde Street was originally proposed to be included in the district but was removed since it is now known that it has been previously provided with sewer service.

Cost

On August 13, 2002, the Local Contract Review Board rejected bids for the construction of the sewer improvements because of high bids. Construction of the sewer improvements was then included in the Gaarde Street Improvement project. Costs for the construction of the sewer improvements were determined by totaling the final costs of corresponding payment items plus a proportionate share of the mobilization cost of the entire project.

The estimated cost of the sanitary sewer construction was \$68,270. Eliminating one lot from the district permitted construction of the sewer at a much shallower depth resulting in a final construction cost of \$19,918.65. Engineering and inspection fees amount to \$2,689.02 (13.5%) as defined in TMC 13.09.040(1). The total project cost is \$22,607.67. This is the amount that should be reimbursed to the sanitary sewer fund as properties connect to the sewer and pay their fair share of the total amount. However, the actual amount that each property owner pays is subject to the City's incentive program for early connections.

In addition to sharing the cost of the public sewer line, each property owner, will be required to pay an additional connection and inspection fee, currently \$2,535, when connection to the public line is made. All owners will be responsible for all plumbing costs required for work done on private property.

Reimbursement Rate

All properties in this area are zoned R-4.5 but vary in lot size from 0.32 acres to 1.92 acres as can be seen in Exhibit Map B. Therefore, it is recommended that the total cost of the project be divided among the three properties proportional to the square footage of each property.

Other reimbursement methods include dividing the cost equally among the owners or by the length of frontage of each property. These methods are not recommended because there is no correlation between these methods and the cost of providing service to each lot or the benefit to each lot.

Resolution 01-46 limits this fee to \$6,000 to the extent that it does not exceed \$15,000 per owner for connections completed within three years of final approval of the City Engineer's Report. Resolution 03-55 further provides that payment of the portion of the fee in excess of \$15,000 may be deferred until the lot is partitioned or otherwise developed.

The septic system at 11740 SW Gaarde Street failed and created a health hazard before the beginning of construction. The owner was allowed to connect to the sewer upon completion of construction with payment of the estimated reimbursement fee of \$7,493 as a deposit. The estimated reimbursement fee was determined from the contractor's bid prices and was paid before construction began. The final reimbursement fee is \$7,930.66 leaving payment of \$437.66 due. The increased cost is due to additional utility work encountered during construction and the inclusion of a proportionate share of the mobilization cost. However, the owner may request deferred payment of \$1,930.66 that must be repaid upon development of the lot as provided by Resolution 03-55. If the owner requests deferred payment, \$1,493 (\$1,930.66 minus \$437.66) will be returned to the owner.

Each property owner's estimated fair share of the public sewer line is \$0.2022 per square foot of the lot served. Each owner's fair share would be limited to \$6,000 to the extent that it does not exceed \$15,000, for connections completed within three years of City Council approval of the final City Engineer's Report following construction in accordance with Resolution 01-46 (attached). Payment of the portion of the fee in excess of \$15,000 may be deferred until the lot is partitioned or otherwise developed in accordance with Resolution 03-55 (attached).

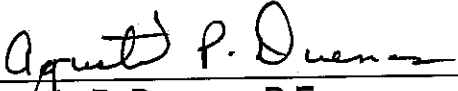
Annual Fee Adjustment

TMC 13.09.115 states that an annual percentage rate shall be applied to each property owner's fair share of the sewer line costs on the anniversary date of the reimbursement agreement. The Finance Director has set the annual interest rate at 6.05% as stated in City of Tigard Resolution No. 98-22.

Recommendation

It is recommended that the reimbursement district formed by Resolution No. 02-42 be finalized with an annual fee increase as indicated above and that the reimbursement district continue for fifteen years as provided in the Tigard Municipal Code (TMC) 13.09.110(5). Fifteen years after the formation of the reimbursement district, properties connecting to the sewer would no longer be required to pay the reimbursement fee.

Submitted July 27, 2004


Agustin P. Duenas, P.E.
City Engineer

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GAARDE ST AT 118TH AVE
Reimbursement District No. 24

Final Cost to Property Owners
Summary
July 14, 2004

Final Construction Cost	\$19,918.65
13.5% contingency (Admin & Eng)	\$2,689.02
Total project costs	\$22,607.67
 Total area to be served (S.F.)	 111,814.780
 Total cost per S.F. to property owner	 \$0.20218855

GAARDE ST AT 118TH AVE
Reimbursement District No. 24

Final Cost to Property Owners
July 14, 2004

OWNER		SITE ADDRESS	TAX LOT ID	AREA (S.F.)	FINAL COST TO PROPERTY OWNER	PAID BY OWNER	PAID BY CITY
1	TERRY THOMAS R	11746 SW GAARDE ST	2S110BA01600	13,960.39	\$2,822.63	\$2,822.63	\$0.00
2	OLSEN JOHN & MARY JO	11740 SW GAARDE ST	2S110BA01500	83,737.00	\$16,930.66	\$7,930.66	\$9,000.00
3	BUSEY JEFF	11720 SW GAARDE ST	2S110BA01400	14,117.39	\$2,854.37	\$2,854.37	\$0.00
Totals				111814.78	\$22,607.67	\$13,607.67	\$9,000.00

GAARDE STREET AT 118TH AVENUE
FY 2002-2003 SANITARY SEWER EXTENSION PROGRAM
REIMBURSEMENT DISTRICT NO. 24
A PORTION OF THE NW 1/4 SECTION 10 T2S R1W W.M.

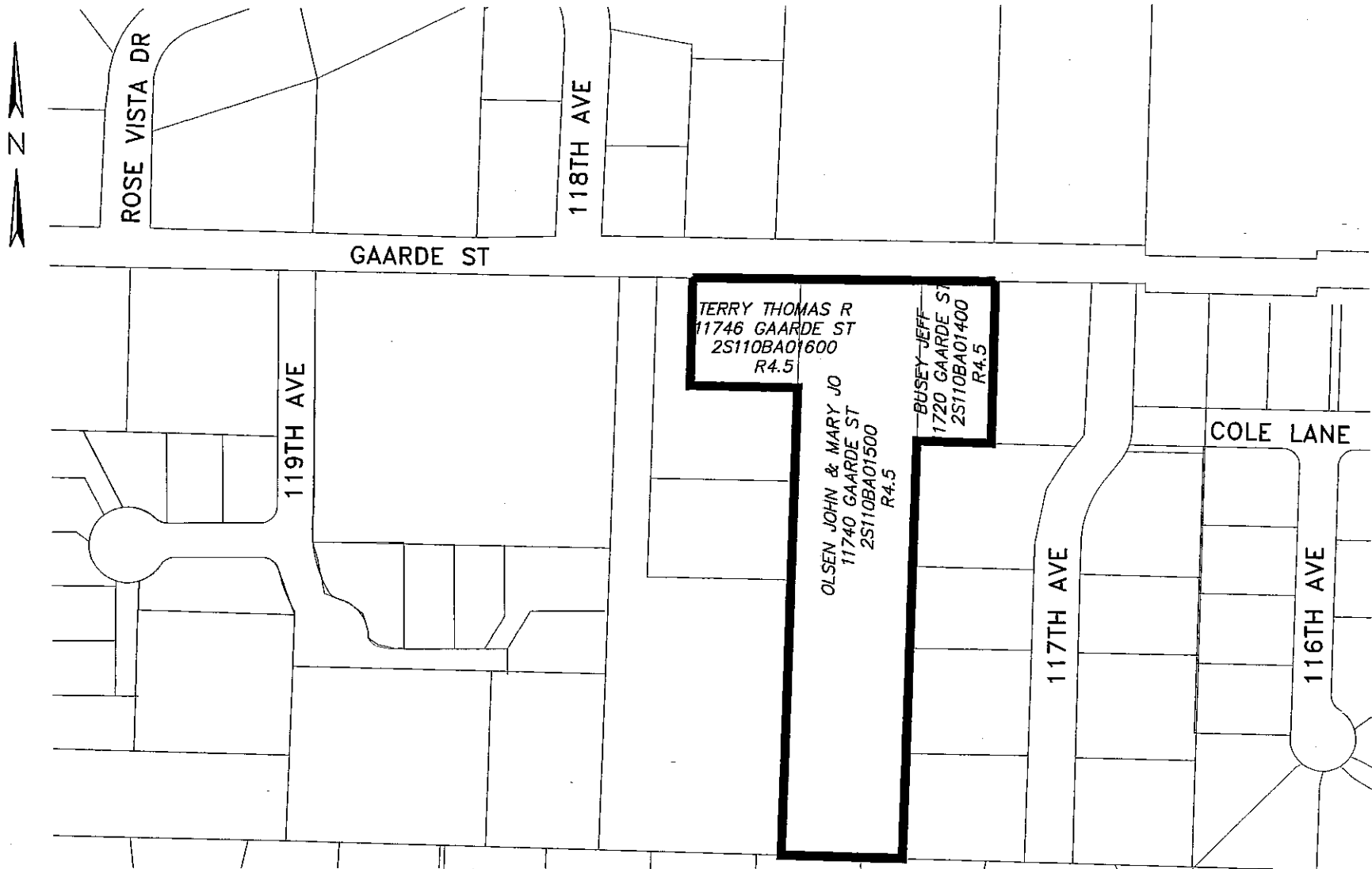


EXHIBIT B